

## GLOSSARY

This list of terms is intended to include those that have specific meaning to the National Flood Insurance Program (NFIP). In a few instances, standard industry terms have been added for additional focus and emphasis.

**Act**--The National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, and the Reform Act of 1994, as amended. The 1994 Reform Act is sometimes referred to as the Riegle amendments to the Act.

**Actual Cash Value (ACV)**--The replacement cost of an insured item of property at the time of loss, less the value of physical depreciation as to the item damaged.

**Administrator**--The Federal Insurance Administrator, who is charged with implementing the Federal National Flood Insurance Program (NFIP).

**Agent**--One who solicits, negotiates, or effects contracts of insurance on behalf of an insurer, including a WYO insurer. An agent who produces "direct" business is deemed the agent of the insured, not the Federal Government.

**Base Flood**--The flood that has a 1-percent probability of being equaled or exceeded in any given year (also referred to as 100-year flood).

**Base Flood Elevation (BFE)**--The elevation shown on the Flood Insurance Rate Map (FIRM) for Zones AE, AH, A1-A30, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V1-V30, and VE that indicates the water surface elevation resulting from a flood that has a 1-percent or greater chance of being equaled or exceeded in any given year.

**Blanket Insurance**--A single amount of insurance applying to more than one building and/or contents. Blanket coverage is not permitted under the NFIP.

**Building (Eligible Building)**--A structure that is separated from other buildings by intervening clear space or solid, vertical, load-bearing division walls; is walled and roofed; is principally above ground and affixed to a permanent site, including a building in the course of construction, alteration, or repair, and

a manufactured (mobile) home on a foundation; as well as a building that is located in a participating community and has not been declared by a state or local government to be in violation of its floodplain management requirements. Under the NFIP, only one policy may be issued per building.

**Building in the Course of Construction**--A walled and roofed building that is principally above ground and affixed to a permanent site. It does not include building materials or supplies intended for use in such construction, alteration, or repair unless such materials or supplies are within an enclosed building on the premises.

**Cancellation**--Termination of a contract of insurance by a voluntary act of the insurer or insured effected in accordance with the terms and conditions of the insurance contract or legal mutual agreement. NFIP cancellations with a premium refund to the insured for a 1-year or a 3-year policy are limited to those conditions spelled out in the policy and the *Flood Insurance Manual*.

**Chattel Mortgage**--A mortgage on personal property; the creation of a lien as security on chattel that, for purposes of the NFIP, includes contents items as well as a mobile home.

**Civil Money Penalties**--Administrative sanctions lenders incur if they do not comply with the 1994 National Flood Insurance Reform Act. For a single violation of the statute, the penalty is \$350. No institution can incur more than \$100,000 per year in penalties.

**Coastal Barrier**--A naturally occurring island, sandbar, or other strip of land, including coastal mainland, that protects the coast from severe wave wash.

**Coastal Barrier Resources System (CBRS)**--Undeveloped communities, coastal barriers, and other protected areas designated as subject to certain coverage restrictions. These areas were

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identified by the Coastal Barrier Resources Act of 1982 (CBRA) and the Coastal Barrier Improvement Act of 1990 and are shown on appropriate FIRM panels.

**Coastal High Hazard Areas**--Special flood hazard areas along the coasts that have additional flooding hazards due to wind and wave action. These areas are identified on Flood Insurance Rate Maps as Zones V, V1-V30, and VE.

**Code of Federal Regulations (CFR)**--The codification of the general and permanent rules initially published in the Federal Register by the executive departments and agencies of the Federal Government.

**Coinurance**--This provision reduces the loss payment if the insured does not carry coverage equal to at least 80 percent of the replacement cost of the damaged building.

**Community**--A political entity that has the authority to adopt and enforce floodplain ordinances for the area under its jurisdiction.

**Community Identification Number**--A 6-digit designation identifying each NFIP community. The first two numbers are the state code. The next four are the FIA-assigned community number. An alphabetical suffix is added to a community number to identify revisions in the Flood Insurance Rate Map (FIRM) for that community.

**Community Rating System (CRS)**--A program developed by FIA to provide incentives for those communities in the Regular Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding.

**Compendia of Flood Map Changes**--Every 6 months, the Director publishes separately in their entirety within a compendium, all changes and revisions to flood insurance map panels and all letters of map amendment and letters of map revision for which notice was published in the Federal Register or otherwise provided during the preceding 6 months. The Director shall make such compendia available, free of charge, to Federal entities for lending

regulation, Federal agency lenders, and States and communities participating in the National Flood Insurance Program and at cost to all other parties.

**Condominium**--A system of individual ownership of units in a multi-unit building or buildings or in single-unit buildings in which each unit owner has an undivided interest in the common areas of the building(s) and facilities that serve the building(s).

**Condominium Association**--A corporation made up of owners of the condominium buildings. The condominium association is responsible for (1) the operation and (2) the adoption and enforcement of rules or bylaws that govern the owners of the condominium buildings.

**Conforming Loan**--A mortgage loan that meets all the requirements (size, type, and age) to be eligible for purchase or securitization by a Government Sponsored Enterprise (GSE).

**Conventional Loan (Financing)**--Real estate mortgage extended by a lender where the loan is not insured or guaranteed by a government agency such as HUD/FHA, VA, or the Farmers Home Administration.

**Cooperative**--A unit owner holds an interest in property by contract or share, but owns no title to the building itself. The NFIP does not issue a dwelling policy to unit owners. The cooperative corporation, who owns the land and improvements, has the insurable interest in the building and is eligible to obtain a general property form of coverage.

**Deductible**--The portion of an insured loss to be borne by the insured before the insured is entitled to recovery from the insurer. The NFIP applies the deductible separately to the building and contents portion of a loss covered by the Standard Flood Insurance Policy (SFIP). The standard deductible is \$500 for building and \$500 for contents. Other deductible amounts are available, and special deductibles apply to the expense of contents and manufactured (mobile) home removal. (See *Flood Insurance Manual*.)

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**Deductible Buyback**--For an additional premium, policyholders who wish to reduce their deductibles from the standard deductible of \$1,000 for Pre-FIRM risks may opt to purchase separate \$500 deductibles for building and contents coverages.

**Depreciation**--A decline in value of a building or other real estate improvement, resulting from age, physical wear, or functional obsolescence.

**Designated Loan**--A loan secured by a building or mobile home located or to be located in a Special Flood Hazard Area (SFHA) where flood insurance is available under the 1968 Act.

**Determination Review**--An appeal process performed by FEMA to resolve disputes posed by borrowers and lenders/servicers concerning properties found to be in SFHAs. A fee of \$80 is charged, and the request must be signed jointly by the lender or servicer and borrower. Elevation data is not considered. Requestor receives a Letter of Determination Review if structure is found inside or outside an SFHA.

**Director**--The Director of the Federal Emergency Management Agency.

**Dwelling Form**--See Standard Flood Insurance Policy--Dwelling Form.

**Elevated Building**--A non-basement building that has its lowest elevated floor raised above the ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

**Elevation Certificate**--A certified statement that verifies a building's elevation information. The information required and the risks subject to these requirements are contained in the Special Certification section of the *Flood Insurance Manual*.

**Emergency Program**--Typically the first phase under which a community participates in the NFIP. It is intended to provide a first layer amount of insurance at subsidized rates on all insurable buildings in that community before the effective date of the initial Flood Insurance Rate Map (FIRM).

**Escrow Requirement**--Under the National Flood Insurance Reform Act of 1994, a mandatory requirement was placed on federally regulated lending institutions to escrow for flood insurance premiums (under certain restrictions).

**Evidence of Insurance**--A copy of the Flood Insurance Application, premium payment, and declarations page submitted to the lender is sufficient evidence of proof of purchase. The NFIP does not recognize an oral binder or contract of insurance.

**Expense Constant**--A flat charge per policy term, paid by the insured to defray the federal government's policy-writing and other expenses.

**Farm Credit Administration**--This federal agency regulates service corporations organized under the Farm Credit Act. FCA regulates approximately 236 lending institutions or servicing entities.

**Federal Agency Lenders**--These include the Small Business Administration, Federal Housing Administration, and the Department of Veterans Affairs, which are subject to the Mandatory Purchase Requirement in the Reform Act. These agencies, not newcomers to the purchase requirement, were covered by the 1973 Act.

**Federal Deposit Insurance Corporation**--This federal agency regulates state-chartered and insured "nonmember banks," that are not part of the Federal Reserve System. FDIC regulates approximately 6,250 banks.

**Federal Emergency Management Agency (FEMA)**--The federal agency under which the National Flood Insurance Program (NFIP) is administered.

**Federal Home Loan Mortgage Corporation (Freddie Mac)**--This privately owned, federally chartered agency purchases loans (usually for residential, 1-4 family unit dwellings) from lenders as part of the secondary market. See also GSE.

**Federal Insurance Administration (FIA)**--The federal entity within FEMA that directly administers the National Flood Insurance Program (NFIP).

**Federal National Mortgage Association (Fannie Mae)**--This privately owned, federally chartered agency acts in a similar fashion to Freddie Mac. Together, Fannie Mae and Freddie Mac are the primary investors in the secondary market. See also GSE.

**Federal Policy Fee**--Mandated by the Congress to provide funds to meet those administrative

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expenses such as federal floodplain management expenses, the cost of flood insurance risk zone and flood elevation studies, and funds to purchase high risk properties to remove them from the insurance rolls. This fee is not subject to producers' commissions, WYO Company expense allowances under the Financial Assistance/Subsidy Arrangement, or state or local premium taxes. The Federal Policy Fee is charged for all new and renewal policies.

**Federal Register**--The document, published daily by the U.S. Government, that presents regulations and legal notices issued by Federal agencies, including proposed and final BFE determinations.

**Federally Regulated Lending Institutions**--Any banks, savings and loan associations, credit unions, farm credit banks, Federal land bank associations, production credit associations, or similar institutions subject to the supervision of a Federal entity for lending regulation, such as the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Reserve System (FRS), the Federal Deposit Insurance Corporation (FDIC), the Farm Credit Administration (FCA), and the National Credit Union Administration (NCUA).

**FHBM**--See Flood Hazard Boundary Map.

**Financial Assistance/Subsidy Arrangement**--The arrangement between a WYO insurance company and the Administrator to initiate a company's participation in the WYO Program. It establishes the duties of the company and the government.

**FIRM**--See Flood Insurance Rate Map.

**Five-Hundred Year Flood (500-Year Flood)** -- The flood that a 0.2 percent chance of being equaled or exceeded in any year. Areas subject to the 500-year flood have a moderate to low risk of flooding. Includes flood Zones B, C, and X. One- to four-unit buildings in these zones are eligible for Preferred Risk Policies. A 500-year flood would be deeper than a 100-year flood and would cover a greater area.

**Flood**--A general and temporary condition of partial or complete inundation of normally dry land areas from:

- Overflow of inland or tidal waters.

- The unusual and rapid accumulation or runoff of surface waters from any source.
- Mudslides (i.e., mudflows) which are proximately caused by flood, as defined above, and are akin to a river of liquid and flowing mud on the surface of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.
- The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flood, as defined above.

**Flood Hazard Boundary Map (FHBM)**--Initial map of a community issued by the Administrator, where the boundaries of the flood areas having special hazards have been identified, based on approximate analyses.

**Flood Insurance Manual (Agent's Manual)**--This manual conveys a comprehensive description of the NFIP for insurance agents, including use of forms when placing business, rating methods, and an explanation of policy rules.

**Flood Insurance Rate Map (FIRM)**--Official map of a community, on which the Administrator has delineated both the special flood hazard areas and the risk premium zones applicable to the community.

**Flood Map Status Subscription Service**--Service through which FEMA sells information about community status, map effective dates, etc., on diskette or microfiche.

**Floodplain**--Any land area susceptible to being inundated by flood waters from any source.

**Floodplain Management**--The operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to, emergency preparedness plans, flood control works, and floodplain management regulations.

**Floodproofing Certificate**--In certain circumstances, Floodproofing Certificates can be issued

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as an alternative to elevating buildings to or above the base flood elevation.

**Flood Zone**--See SFHA. Zones that begin with the letters V and A are in the SFHA. Zones B, C, D, or X are within the floodplain but not in the SFHA and, therefore, are not considered to be areas requiring flood insurance for structures located in those areas.

**Flood Zone Determination Vendor**--An organization that makes zone determinations on individual properties and monitors map changes.

**General Property Form**--See Standard Flood Insurance Policy--General Property Form.

**Government Sponsored Enterprises (GSEs)** -- Regulated by the Office of Federal Housing Enterprise. Oversight of the Department of Housing and Urban Development (i.e., Federal National Mortgage Association (FNMA [Fannie Mae]), Federal Home Loan Mortgage Corporation (FHLMC [Freddie Mac]), and Government National Mortgage Association (GNMA [Ginnie Mae])).

**GSE**--See Government Sponsored Enterprises.

**Improved Real Estate**--Property on which a building is located or will be located.

**Increased Cost of Compliance Endorsement**--Coverage for expenses a property owner must incur, above and beyond the cost to repair the physical damage the building actually sustained from a flooding event, to comply with State or local floodplain management ordinances or laws. Acceptable mitigation measures are elevation, floodproofing, relocation, demolition, or any combination thereof. All renewal and new business policies with effective dates on or after June 1, 1997, will include ICC coverage. Policyholders with 3-year policies have options of canceling their flood insurance policies on the anniversary dates and obtaining coverage under rewritten policies.

**Letter of Determination Review (LODR)**--FEMA's official letter in response to a joint request for review of a lender's flood hazard determination. The LODR either overturns the lender's finding, upholds it, or leaves it un-changed because insufficient information was provided.

**Letter of Map Amendment (LOMA)**--An official amendment, by letter, to an effective NFIP map. A

LOMA establishes a property's location in relation to the SFHA.

**Letter of Map Change Subscription Service** -- Service through which FEMA provides updates of all LOMAs and LOMRs twice monthly, charging \$2,000 for annual subscriptions.

**Letter of Map Revision (LOMR)**--An official revision, by letter, to an effective NFIP map. A LOMR may change flood insurance risk zones, floodplain boundary delineations, planimetric features, and/or BFEs.

**Letter of Map Revision Based on Fill (LOMR-F)**--An official revision by letter to an effective NFIP map. A LOMR-F provides FEMA's determination concerning whether a structure or parcel has been elevated on fill above the BFE and excluded from the SFHA.

**Loan Portfolio**--A collection of loans held for servicing or investment.

**LODR**--See Letter of Determination Review.

**LOMA**--See Letter of Map Amendment.

**LOMR**--See Letter of Map Revision.

**LOMR-F**--See Letter of Map Revision Based on Fill.

**Mandatory Purchase**--Under the provisions of the Flood Disaster Protection Act of 1973, individuals, businesses, and others buying, building, or improving property located in identified areas of special flood hazards within participating communities are required to purchase flood insurance as a prerequisite for receiving any type of direct or indirect federal financial assistance (e.g., any loan, grant, guaranty, insurance, payment, subsidy, or disaster assistance) when the building or personal property is the subject of or security for such assistance.

**Manufactured (Mobile) Home**--A building transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured (mobile) home" does not include a "recreational vehicle."

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**Map Panel Number**--Four-digit number followed by a letter suffix assigned by FEMA on a flood map. The first four digits represent the map panel, and the letter suffix represents the number of times the map panel has been revised.

**Map Amendment**--A change to an effective NFIP map that results in the exclusion from the Special Flood Hazard Area (SFHA) of an individual structure or a legally described parcel of land that has been inadvertently included in the SFHA (i.e., no alterations of topography have occurred since the date of the first NFIP map that showed the structure or parcel to be within the SFHA).

**Map Revision**--A change to an effective NFIP map that is accomplished by a LOMR or a PMR.

**Mobile Home**--See Manufactured (Mobile) Home.

**Mortgage Portfolio Protection Program (MPPP)**--A program designed to assist lending institutions to maintain compliance with the Flood Disaster Protection Act of 1973, as amended. Policies written under the MPPP can be placed only through a WYO Company.

**National Credit Union Administration**--This Federal agency regulates credit unions that are federally insured.

**National Flood Insurance Program (NFIP)**--A Federal program that makes flood insurance available to owners of property in participating communities nationwide through the cooperative efforts of the Federal Government and the private insurance industry. The NFIP encourages state and local governments to exercise sound floodplain management to reduce losses caused by flood.

**NFIP Bureau and Statistical Agent**--A corporation, partnership, association, or any other organized entity that contracts with the Federal Insurance Administration to be the focal point of support operations for the NFIP.

**NFIP Servicing Agent**--A corporation, partnership, association, or any other organized entity that contracts with the Federal Insurance Administration to service insurance policies as direct business.

**Nonparticipating Community**--A community in which the sale of flood insurance is not authorized

because the community chooses not to participate in the NFIP.

**Non-Residential**--Includes, but is not limited to: small business concerns, churches, schools, farm buildings (including grain bins and silos), poolhouses, clubhouses, recreational buildings, mercantile structures, agricultural and industrial structures, warehouses, and hotels or motels with normal room rentals for less than 6 months' duration.

**Office of the Comptroller of the Currency (OCC)**--This entity regulates approximately 3,000 national banks under the Department of the Treasury.

**Office of Thrift Supervision (OTS)**--This body regulates Federal and state savings associations, savings banks, their wholly-owned subsidiaries, and savings and loan holding companies. Under the Department of the Treasury, the OTS regulates approximately 1,500 savings institutions.

**One-Hundred Year Flood (100-Year Flood)**--The flood that has a 1-percent or greater chance of being equaled or exceeded in any given year. Any flood zone that begins with the letter A or V is subject to the 100-year flood. These high-risk zones are also known as Special Flood Hazard Areas (SFHAs). Over the life of a 30-year loan, there is a 26-percent chance of experiencing such a flood within an SFHA.

**Participating Community**--Any community that voluntarily elects to participate in the NFIP by adopting and enforcing floodplain management regulations that are consistent with the standards of the NFIP.

**Physical Map Revision (PMR)**--An official republication of an NFIP map to show changes to floodplain and/or floodway boundary delineations, BFEs, and planimetric features.

**Post-FIRM Construction**--Construction or substantial improvement that started on or after the effective date of the initial Flood Insurance Rate Map (FIRM) of the community or after December 31, 1974, whichever is later.

**Preferred Risk Policy (PRP)**--A package policy offering nine coverage combinations for both building and contents at a fixed premium. It is available only

to owners of 1-4 family residential buildings located in B, C, and X Zones that meet eligibility requirements based on an entire flood loss history.

**Pre-FIRM Construction**--Construction or substantial improvement which started on or before December 31, 1974, or before the effective date of the initial Flood Insurance Rate Map (FIRM) of the community, whichever is later.

**Probation**--A means of formally notifying participating communities of violations and deficiencies in the administration and enforcement of the local floodplain management regulations.

**Probation Additional Premium**--A flat charge per policy term paid by the Insured on all new and renewal policies issued covering property in a community that has been placed on probation under the provisions of 44 CFR 59.24.

**Real Estate Settlement Procedures Act of 1974 (RESPA)**--Prescribes rules concerning payment and disclosure of settlement service charges. HUD's implementing Regulation Z includes as a "settlement service" the provision of services involving hazard, flood, or other casualty insurance.

**Recreational Vehicle**--A vehicle that is (1) built on a single chassis, (2) 400 square feet or less when measured at the largest horizontal projections, (3) designed to be self-propelled or permanently towed by a light duty truck, and (4) designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use including, but not limited to, travel trailers, trailers on wheels, park trailers, and other similar vehicles.

**Regular Program**--The phase of a community's participation in the NFIP where more comprehensive floodplain management requirements are imposed and higher amounts of insurance are available based upon risk zones and elevations determined in a flood insurance study. The FIRM is the map used in this phase of the NFIP.

**Regular Program Community**--A community wherein a FIRM is in effect and full limits of coverage are available under the Act.

**Regulatory Floodway**--The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base

flood without cumulatively increasing the water surface elevation more than a designated height.

**Remapping**--FEMA schedules remapping of communities to take into consideration natural changes within the floodplain and regulatory floodways and to allow for changes as a result of land use and development, land contour changes, and new information gained from advanced technology. Results of FEMA's remapping efforts are published every 6 months in a compendium of flood map changes in the Federal Register.

**Repetitive Loss Structure**--A structure, covered by a contract for flood insurance issued pursuant to the Act, that has incurred flood-related damage on two occasions during a 10-year period ending on the date of the event for which a second claim is made, in which the cost of repairing the flood damage, on the average, equaled or exceeded 25% of the market value of the structure at the time of each such flood event.

**Replacement Cost**--The cost to replace property with the same kind of material and construction without deduction for depreciation.

**Residential Condominium Building**--A building owned by the members of a condominium association containing one or more residential units and in which at least 75 percent of the floor area within the building is residential.

**Residential Condominium Building Association Policy (RCBAP)**--See Standard Flood Insurance Policy--Residential Condominium Building Association Policy (RCBAP).

**Residential Improved Real Estate**--Improved real estate for which the improvement is a residential building.

**Section 1316**--Section of the National Flood Insurance Act of 1968, as amended, which states that no new flood insurance coverage shall be provided for any property that the Administrator finds has been declared by a duly constituted state or local zoning authority or other authorized public body to be in violation of state or local laws, regulations, or ordinances that are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas.

**Servicer**--The entity responsible for receiving scheduled, periodic payments from a borrower under the terms of a loan, including principal, interest, and any other payments as may be required under the terms of the loan. The servicer may also be the lender.

**SFHA**--See Special Flood Hazard Area.

**Small Loan**--Any loan having an original principal balance of \$5,000 or less and a repayment term of 1 year or less.

**Special Flood Hazard Area (SFHA)**--Darkly shaded area on a Flood Insurance Rate Map (FIRM) or a Flood Hazard Boundary Map (FHBM) that identifies an area that has a 1-percent chance of being flooded in any given year (100-year floodplain). Over a 30-year period, the life of most mortgages, there is at least a 26-percent chance that this area will be flooded. The FIRM identifies these shaded areas as FIRM Zones A, AO, AH, A1-A30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-V30, and VE.

**Standard Flood Hazard Determination Form (SFHDF)**--FEMA's form 81-93, to be used by all companies performing determinations, in either printed, computerized, or electronic forms. A completed form or "certificate" is required in most loan files and is the primary "product" of most Flood Zone Determination companies.

**Stafford Act**--Precludes further disaster relief benefits on property where the owners have not obtained and maintained the required flood insurance coverage after receiving Federal assistance for repairs to property damaged by initial flooding.

**Standard Flood Insurance Policy--Dwelling Form**--Policy issued to insure a building and/or residential contents on a single family or a 2-4 family dwelling.

**Standard Flood Insurance Policy--General Property Form**--Policy issued to insure a building and/or contents on other residential or non-residential buildings.

**Standard Flood Insurance Policy--Residential Condominium Building Association Policy (RCBAP)**--Policy issued to insure an entire residential condominium building (i.e., a condominium building wherein at least 75 percent of

the total floor area is residential), including all units within the building. It is available only to residential condominium associations that are located in Regular Program communities.

**State-Owned Property**--Property that does not require flood insurance if it is covered under an adequate State policy of self-insurance satisfactory to the Director of FEMA.

**Structure**--See Building.

**Suspension**--Removal of a participating community from the NFIP because the community has not enacted and/or enforced the proper floodplain management regulations required for participation in the NFIP.

**Table Funding**--Typically, a loan transaction where the party providing the funding ordinarily reviews and approves the credit standing of the borrower and issues a commitment to the broker to purchase the loan at the time the loan is originated.

**Tentative Rates**--Unpublished NFIP rates used to issue policies for applications that fail to provide the NFIP with valid actuarial rating information.

**Third-Party Flood Zone Determination Companies**--Vendors who, for a fee, determine the flood zone classification of a property. If a lender/servicer uses one of these companies for flood zone determinations, the results must be guaranteed for accuracy. (See Flood Zone Determination Vendor.)

**Time Shares**--Property interests that generally fall into one of two categories, either (1) fee or real estate ownership, or (2) non-fee interest, such as the right to use. A timeshare organized on a fee simple basis is eligible for the RCBAP policy. A non-fee simple timeshare can obtain the GP form. Different policy coverage applies according to property interest.

**Tripwire**--An action that alerts lenders and servicers to comply with flood insurance requirements in the case of the making, increasing, extending, or renewing of a loan, or the transfer of a loan to a GSE.

**Waiting Period**--The time between the date of application and the policy effective date.



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**Write Your Own (WYO) Program**--A cooperative undertaking of the insurance industry and the Federal Insurance Administration begun in October 1983. The WYO Program operates within the context of the NFIP and involves private insurance carriers who issue and service National Flood Insurance Program policies.

**WYO Vendor**--An organization employed by certain WYO carriers to conduct support operations to procure, produce, and handle NFIP claims on behalf of the insurer.

**Zone**--A geographical area shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map that reflects the severity or type of flooding in the area.